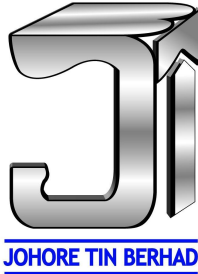


Company No. 532570-V



JOHORE TIN BERHAD
(Company No. 532570-V)
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANIES

QUARTERLY REPORT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014

(UNAUDITED)

This Report is dated 25th November 2014.

Company No. 532570-V



QUARTERLY REPORT

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014 (UNAUDITED)

	NOTE	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
		Current Year Quarter 30-09-2014 RM'000	Preceding Year Corresponding Quarter 30-09-2013 RM'000	Current Year-To-Date 30-09-2014 RM'000	Preceding Year-To-Date 30-09-2013 RM'000
REVENUE		90,661	63,473	210,873	176,807
Cost of Sales		(78,938)	(49,774)	(180,066)	(136,426)
GROSS PROFIT		11,723	13,699	30,807	40,381
Other income		238	217	689	1,011
Administrative expenses		(3,430)	(2,483)	(10,415)	(10,190)
Distribution expenses		(3,864)	(2,266)	(8,139)	(6,723)
Other expenses		(319)	(688)	(913)	(1,238)
Finance costs		(352)	(312)	(956)	(1,021)
PROFIT BEFORE TAX		3,996	8,167	11,073	22,220
Income tax expense	B6	(1,058)	(2,673)	(3,309)	(5,498)
PROFIT FOR THE PERIOD		2,938	5,494	7,764	16,722
Non-controlling interest		3	36	(3)	51
PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY		2,941	5,530	7,761	16,773
OTHER COMPREHENSIVE INCOME					
Foreign currency translation		21	(97)	(1)	(90)
Total other comprehensive income for the period		21	(97)	(1)	(90)
COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD	B8	2,962	5,433	7,760	16,683
Profit after tax attributable to:					
Owners of the Company		2,941	5,530	7,761	16,773
Non-controlling interest		(3)	(36)	3	(51)
		<u>2,938</u>	<u>5,494</u>	<u>7,764</u>	<u>16,722</u>
Total comprehensive income attributable to:					
Owners of the Company		2,962	5,433	7,760	16,683
Non-controlling interest		(3)	(36)	3	(51)
		<u>2,959</u>	<u>5,397</u>	<u>7,763</u>	<u>16,632</u>
Earnings per share (sen):					
- Basic and Diluted	B9	<u>3.15</u>	<u>5.93</u>	<u>8.32</u>	<u>17.98</u>

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2013 and the accompanying explanatory notes to the quarterly report.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 AS AT 30 SEPTEMBER 2014 (UNAUDITED)**

NOTE	As at 30 September 2014 (Unaudited) RM'000	As at 31 December 2013 (Audited) RM'000
<u>ASSETS</u>		
Non-Current Assets		
Property, plant and equipment	78,515	76,707
Investment properties	1,626	1,638
Goodwill on consolidation	10,650	10,650
Other investment	17	17
	90,808	89,012
Current Assets		
Inventories	81,797	58,266
Trade receivables	39,353	39,897
Other receivables	4,934	1,426
Amount owing from related companies	1,967	1,476
Tax recoverable	2,906	2,850
Derivative financial assets	-	-
Cash and cash equivalents	31,050	38,266
	162,007	142,181
Total Assets	252,815	213,193
<u>EQUITY AND LIABILITIES</u>		
Share Capital and Reserves		
Share capital	93,305	93,305
Retained earnings	72,161	66,266
Other components of equity	10,047	10,048
Equity Attributable to Owners of the Company	175,513	169,619
Non-controlling interest	131	128
Total Equity	175,644	169,747

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2013 and the accompanying explanatory notes to the quarterly report.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 AS AT 30 SEPTEMBER 2014 (UNAUDITED) (cont'd)**

	NOTE	As at 30 September 2014 (Unaudited) RM'000	As at 31 December 2013 (Audited) RM'000
<u>EQUITY AND LIABILITIES (cont'd)</u>			
Non-Current Liabilities			
Long-term borrowings	B12	11,658	15,563
Retirement benefits		327	301
Deferred tax		5,307	5,213
Total Non-Current Liabilities		17,292	21,077
Current Liabilities			
Trade payables		16,081	10,248
Other payables		7,556	7,299
Amount owing to directors		479	713
Short-term borrowings	B12	35,554	20,250
Derivative financial liabilities	B11	189	166
Income tax		20	1,693
Total Current Liabilities		59,879	40,369
Total Liabilities		77,171	61,446
Total Equity and Liabilities		252,815	213,193
Net Assets (NA) per share attributable to ordinary equity holders of the Company (RM)		1.88	1.82

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2013 and the accompanying explanatory notes to the quarterly report.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014 (UNAUDITED)**

Note	Share Capital RM'000	<u>Non-Distributable Reserves</u>			<u>Distributable</u>	Attributable to Owners of the Company RM'000	Non- Controlling Interest RM'000	Total Equity RM'000
		Share Premium Reserve RM'000	Warrants Reserve RM'000	Foreign Translation Reserve RM'000	Retained Earnings RM'000			
Balance at 1 January 2014	93,305	5,528	5,233	(713)	66,266	169,619	128	169,747
Total comprehensive income for the period	-	-	-	(1)	7,761	7,760	3	7,763
Dividend	-	-	-	-	(1,866)	(1,866)	-	(1,866)
Balance at 30 September 2014	93,305	5,528	5,233	(714)	72,161	175,513	131	175,644
Balance at 1 January 2013	93,305	5,528	5,233	(587)	52,392	155,871	-	155,871
Acquisition of new subsidiary	-	-	-	-	-	-	0	0
Total comprehensive income for the period	-	-	-	(90)	16,773	16,683	(51)	16,632
Dividend	-	-	-	-	(3,919)	(3,919)	-	(3,919)
Balance at 30 September 2013	93,305	5,528	5,233	(677)	65,246	168,635	(51)	168,584

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2013 and the accompanying explanatory notes to the quarterly report.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014 (UNAUDITED)**

	NOTE	Current Year-To-Date 30-09-2014 RM'000	Preceding Year-To-Date 30-09-2013 RM'000
Net cash (used in)/from operating activities	B15	(9,048)	11,446
Net cash used in investing activities	B15	(6,744)	(10,800)
Net cash from/(used in) financing activities	B15	8,705	(10,154)
Net decrease in cash and cash equivalents		(7,087)	(9,508)
Adjustment for foreign exchange differentials		(129)	(163)
Cash and cash equivalents as of beginning of period		38,266	49,626
Cash and cash equivalents as of end of period		31,050	39,955

Cash and cash equivalents at the end of the financial reporting period comprise the following:

	Current Year-To-Date 30-09-2014 RM'000	Preceding Year-To-Date 30-09-2013 RM'000
Cash and bank balances	31,050	39,955
Bank overdraft	-	-
	31,050	39,955

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2013 and the accompanying explanatory notes to the quarterly report.



**NOTES TO THE FINANCIAL INFORMATION
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014 (UNAUDITED)**

PART A

**EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS
134: INTERIM FINANCIAL REPORTING (“MFRS 134”)**

A1. Basis of Preparation

The unaudited condensed interim financial statements for the third quarter ended 30 September 2014 have been prepared in accordance with MFRS 134 *Interim Financial Reporting* and with IAS 34 *Interim Financial Reporting*, and the applicable disclosure provisions on paragraph 9.22 of the Listing Requirements of the Bursa Malaysia Securities Berhad (“Bursa Securities”), and should be read in conjunction with the annual audited financial statements of the Group for the financial year ended 31 December 2013.

These condensed consolidated interim financial statements are prepared under historical cost convention, which are in compliance with MFRSs and the requirements of the Companies Act 1965 in Malaysia. These are the Group’s first set of condensed interim financial statements prepared in accordance with MFRSs, which are also in line with International Financial Reporting Standards as issued by the International Accounting Standards Board.

A2. Changes in Accounting Policies

The accounting policies and methods of computation adopted by the Group for these unaudited condensed interim financial statements are consistent with those in the audited financial statements for the financial year ended 31 December 2013.

a) The Group has not applied in advance the following applicable new/revised accounting standards (“MFRSs”) and Issues Committee Interpretations (including consequential amendments) (“IC Int.”) that have been issued by the Malaysian Accounting Standards Board (“MASB”) but are not yet effective for the current financial year:

MFRS and IC Interpretations	Effective Date
MFRS 9 <i>Financial Instruments (2009)</i>	1 January 2015
MFRS 9 <i>Financial Instruments (2010)</i>	1 January 2015
Amendments to MFRS 9 <i>Financial Instruments: Disclosure - Mandatory Effective Date of MFRS 9 and Transition Disclosures</i>	1 January 2015
Amendments to MFRS 10 <i>Consolidated Financial Statements: Investment Entities</i>	1 January 2014
Amendments to MFRS 12 <i>Disclosure of Interests in Other Entities: Investment Entities</i>	1 January 2014
Amendments to MFRS 127 <i>Separate Financial Statements (2011): Investment Entities</i>	1 January 2014
Amendments to MFRS 132 <i>Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities</i>	1 January 2014
Amendments to MFRS 136 <i>Impairment of Assets - Recoverable Amount Disclosures for Non-Financial Assets</i>	1 January 2014
Amendments to MFRS 139 <i>Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting</i>	1 January 2014
IC Interpretation 21 <i>Levies</i>	1 January 2014

The above MFRSs and IC Int. will not have any material impact on the Group’s financial statements.



**NOTES TO THE FINANCIAL INFORMATION
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014 (UNAUDITED)**

A3. Audit Qualification

There was no qualification on the annual audited financial statements of the Group for the year ended 31 December 2013.

A4. Seasonal or Cyclical Factors

The Group's operations are not significantly affected by any seasonal or cyclical factors.

A5. Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial reporting period under review.

A6. Changes in Estimates

There were no changes in estimates of amounts reported in prior interim periods of the current financial reporting year that have a material effect in the current interim period.

A7. Dividend Paid

The final single-tier dividend of 2.0% (31.12.2012: 4.2%), amounting to RM1,866,107 (31.12.2012: RM3,918,824), in respect of the financial year ended 31 December 2013, was paid on 25 July 2014 to the depositors registered in the Record of Depositors at the close of business on 2 July 2014.

A8. Debt and Equity Securities

There were no issuance, cancellation, repurchases, resale and repayment of debts and equity securities for the current financial reporting period.

A9. Subsequent Material Events

There were no material events subsequent to the end of the current financial reporting period that have not been reflected in the financial statements for the current interim period.

A10. Contingent Liabilities

	THE COMPANY	
	As at	As at
	30-09-2014	31-12-2013
	RM'000	RM'000
Corporate Guarantee given to licensed banks for banking facilities granted to subsidiaries	43,433	29,915

A11. Changes in the Composition

There are no changes in the composition of the entity during the current interim period, including business combinations, obtaining or losing control of subsidiaries and long-term investments, restructurings, and discontinued operations.



**NOTES TO THE FINANCIAL INFORMATION
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014 (UNAUDITED)**

A12. Segmental Reporting

a) Operating Segments

The Group has three reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products, and are managed separately because they require different technology and marketing strategies. The following summary describes the operations in each of the Group's reportable segments:

- | | |
|-----------------------|--|
| 1) Investment Holding | <i>Investment holding and provision of management services.</i> |
| 2) Tin Manufacturing | <i>Manufacturing of various tins, cans and other containers.</i> |
| 3) Food and Beverage | <i>Manufacturing and selling of milk and related dairy products.</i> |

THE GROUP	Investment Holding	Tin Manufacturing	Food & Beverage	Total
30 September 2014	RM'000	RM'000	RM'000	RM'000
External revenue	-	64,022	146,851	210,873
Inter-segment revenue	-	11,512	6,050	17,562
Dividend income	3,292	-	-	3,292
Management income	-	-	-	-
Total revenue	3,292	75,534	152,901	231,727
Reportable segment (loss)/profit	(1,107)	5,878	2,993	7,764
Reportable segment assets	12,044	133,919	106,852	252,815

THE GROUP	Investment Holding	Tin Manufacturing	Food & Beverage	Total
30 September 2013	RM'000	RM'000	RM'000	RM'000
External revenue	-	63,435	113,372	176,807
Inter-segment revenue	-	13,636	-	13,636
Dividend income	8,644	-	-	8,644
Management income	-	-	-	-
Total revenue	8,644	77,071	113,372	199,087
Reportable segment (loss)/profit	(900)	8,244	9,378	16,722
Reportable segment assets	18,083	124,968	80,296	223,347



JOHORE TIN BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL INFORMATION
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014 (UNAUDITED)

A12. Segmental Reporting (Cont'd)

b) Geographical Segments

The Group's principal business activities are manufacturing of various tins, cans and other containers, and are primarily carried out in Malaysia and Indonesia.

THE GROUP 30 September 2014	Malaysia RM'000	Indonesia RM'000	Elimination RM'000	Consolidated RM'000
Revenue				
External revenue	210,873	-	-	210,873
Inter-segment revenue	17,562	-	(17,562)	-
Dividend income	3,292	-	(3,292)	-
Management income	-	-	-	-
Total revenue	<u>231,727</u>	<u>-</u>	<u>(20,854)</u>	<u>210,873</u>
Segment results	11,936	31	62	12,029
Finance costs	(956)	-	-	(956)
Profit before tax	<u>10,980</u>	<u>31</u>	<u>62</u>	<u>11,073</u>
Tax expense				(3,309)
Net profit for the period				<u>7,764</u>
Other Information:				
Capital expenditure	7,097	-	-	7,097
Depreciation and amortisation	5,296	-	(3)	5,293
Segment assets	400,763	718	(148,666)	252,815
Segment liabilities	111,153	7	(33,989)	77,171

THE GROUP 30 September 2013	Malaysia RM'000	Indonesia RM'000	Elimination RM'000	Consolidated RM'000
Revenue				
External revenue	176,807	-	-	176,807
Inter-segment revenue	13,636	-	(13,636)	-
Dividend income	8,644	-	(8,644)	-
Management income	-	-	-	-
Total revenue	<u>199,087</u>	<u>-</u>	<u>(22,280)</u>	<u>176,807</u>
Segment results	31,909	(22)	(8,646)	23,241
Finance costs	(1,021)	-	-	(1,021)
Profit before tax	<u>30,888</u>	<u>(22)</u>	<u>(8,646)</u>	<u>22,220</u>
Tax expense				(5,498)
Net profit for the period				<u>16,722</u>
Other Information:				
Capital expenditure	6,929	-	-	6,929
Depreciation and amortisation	3,782	3	-	3,785
Segment assets	349,749	699	(127,101)	223,347
Segment liabilities	74,849	7	(20,093)	54,763



**NOTES TO THE FINANCIAL INFORMATION
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014 (UNAUDITED)**

PART B

**EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS
OF THE BURSA SECURITIES**

B1. Review of Group Performance

a) Current Year Quarter compared with Preceding Year Corresponding Quarter

The Group recorded a revenue of RM90.66 million and profit before tax of RM4 million for the third quarter as compared to preceding year corresponding quarter of RM63.47 million and profit before tax of RM8.17 million respectively. The revenue increased by RM27.19 million as compared to the third quarter of the preceding year mainly due to higher sales deriving from food and beverage (“F&B”) segments. In contrast, profit before tax decreased by RM4.17 million mainly due to the balance compensation of the F&B segments’ products with quality issue, which arose in the second quarter of current year, and due to the higher production and depreciation costs of the tin manufacturing segment.

For the tin manufacturing segment, revenue increased slightly by RM0.85 million from RM20.2 million to RM21.05 million due to higher sales in the edible oil industry but was set-off against lower demand in biscuit industry. However, profit before tax decreased by RM1.8 million from RM3.13 million to RM1.33 million mainly due to higher depreciation cost on new machineries and higher production costs.

As for the F&B segment, revenue increased by RM26.33 million from RM43.28 million to RM69.61 million. However, profit before tax decreased by RM2.28 million from RM5.32 million to RM3.04 million, mainly due to the balance compensation of the F&B segment’s products with quality issue, which arose in the second quarter of current year.

b) Current Year-To-Date compared with Preceding Year-To-Date

The Group has recorded a revenue of RM210.87 million and profit before tax of RM11.07 million for the 9 months’ period ended 30 September 2014 as compared to preceding year-to-date of RM176.81 million and RM22.22 million respectively. The Group achieved an increase in revenue of RM34.06 million as compared to preceding year-to-date due to an increased in sales from the F&B segments. However, profit before tax decreased significantly by RM11.15 million were mainly due to compensation paid for products with quality issue in second quarter of current year and higher depreciation cost on new machineries as well as higher production costs in the manufacturing segment.

For the tin manufacturing industry, revenue increased marginally by RM0.58 million from RM63.44 million to RM64.02 million due to higher sales in the edible oil industry but was set-off against lower demand in biscuit industry. Profit before tax had decreased by RM3.03 million from RM11.07 million to RM8.04 million mainly due to higher depreciation cost on new machineries as well as higher production costs in the tin manufacturing segment.

As for the F&B segment, revenue increased by RM33.48 million from RM113.37 million to RM146.85 million. However, profit before tax decreased significantly by RM7.91 million from RM12.05 million to RM4.14 million due to compensation paid for products with quality issue in the second quarter.

**NOTES TO THE FINANCIAL INFORMATION
 FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014 (UNAUDITED)**
B2. Variation of Results against Preceding Quarter

For the current quarter under review, the Group's profits increased by RM4.55 million to RM4 million as compared against loss before tax of RM0.55 million in the preceding quarter ended 30 June 2014.

a) Tin Manufacturing Industry

Profit before tax for tin manufacturing segment decreased by RM1.98 million from RM3.31 million for the previous quarter, as compared to the current quarter of profit before tax of RM1.33 million. The decreased was due to an increased in operation cost resulting from higher cost of production and depreciation on new machineries.

b) F&B Industry

Profit before tax for the current quarter under review was RM3.04 million as compared to a loss before tax of RM3.39 million in the previous quarter, resulting to an increased in profit before tax of RM6.43 million. Higher profit in F&B segment mainly due to the compensation paid in the second quarter of the current year.

B3. Prospects of the Group
a) Tin Manufacturing Industry

Raw materials prices are expected to remain constant in the near-term. As for the demand, it is expected to maintain and remain stable.

With the stable market demand, profitability is expected to remain constant.

b) F&B Industry

Milk powder prices are bearish in the near term and if this trend continues to the middle term, then prices for the finished goods will be under pressure to be reduced as well.

Demand is expected to remain strong but we foresee a very competitive market for our F&B businesses. This segment will be continued to be profitable with a slightly lower margin.

B4. Revenue or Profit Estimates

This is not applicable to the Group for the current financial reporting period under review.

B5. Profit Forecast or Profit Guarantee

The profit forecast is not applicable to the Group for the current financial reporting period.

B6. Tax Expense

	Individual Quarter		Cumulative Quarter	
	30-09-2014 RM'000	30-09-2013 RM'000	30-09-2014 RM'000	30-09-2013 RM'000
Current year:				
- Income tax	946	3,302	3,183	5,028
- Deferred tax	84	(630)	94	469
	1,030	2,672	3,277	5,497
Under/(Over) provision in previous year:				
- Income tax	28	1	32	1
	1,058	2,673	3,309	5,498

**NOTES TO THE FINANCIAL INFORMATION
 FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014 (UNAUDITED)**
B7. Status of Corporate Proposals and Utilisation of Proceeds Raised from Rights Issue

The Company has increased its share capital by 23,326,333 new ordinary shares of RM1.00 each at an issue price of RM1.28 each per share, amounting to RM29,857,706.24 from the Rights Issue on 27 November 2012.

The status of the utilisation of proceeds from the rights issue as at 30 September 2014 are summarised as follows:

Purpose	Proposed	Actual	Intended	Deviation	
	Utilisation RM'000	Utilisation RM'000	Timeframe (Within)	RM'000	%
i) Purchase of land and construction of new warehouse and factory	15,000	7,075	18 months *	7,925	52.83
ii) Purchase of machineries and equipment	8,000	8,000	18 months	-	-
iii) Upgrading works	1,500	886	18 months **	614	40.94
iv) Working capital	4,857	4,857	12 months	-	-
v) Rights issue expenses	500	500	1 month	-	-
	<u>29,857</u>	<u>21,318</u>		<u>8,539</u>	<u>28.60</u>

* Construction of new warehouse and factory has commenced, however, it has started late due to pending approval from relevant authorities. Progressive payment will be made till the completion of the new warehouse and factory.

** Some of the upgrading works are delay pending completion of the new warehouse and factory.

B8. Notes to the Statement of Profit or Loss and Other Comprehensive Income

Included in the Statement of Profit or Loss and Other Comprehensive Income are as follows:

	Individual Quarter		Cumulative Quarter	
	30-09-2014 RM'000	30-09-2013 RM'000	30-09-2014 RM'000	30-09-2013 RM'000
Interest income	(127)	(186)	(353)	(613)
Other income	(111)	(31)	(336)	(398)
Interest expense	352	312	956	1,021
Depreciation and amortisation	1,802	1,294	5,293	3,785
(Gain)/Loss on disposal of property, plant and equipment	-	1	-	(114)
Foreign exchange loss	61	919	747	944
(Gain)/Loss on derivatives	248	(98)	29	256
Exceptional items	-	-	-	-

**NOTES TO THE FINANCIAL INFORMATION
 FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014 (UNAUDITED)**
B9. Earnings Per Share

The basic earnings per share is calculated based on the net profit divided by the weighted average number of ordinary shares in issues during the financial reporting period which is as follows:

	Individual Quarter		Cumulative Quarter	
	30-09-2014	30-09-2013	30-09-2014	30-09-2013
Profit for the period (RM'000)	2,941	5,530	7,761	16,773
Weighted average number of ordinary shares ('000 shares):				
At beginning of the period	93,305	93,305	93,305	93,305
Effect on ordinary shares issued	-	-	-	-
At end of the period	93,305	93,305	93,305	93,305
Basic and Diluted Earnings per Share (Sen)	3.15	5.93	8.32	17.98

For the financial reporting period under review, the outstanding warrants does not have a dilutive effect to the earnings per ordinary share as the average market price of ordinary shares as at the end of the reporting period was below the exercise price of the warrants.

B10. Disclosure of Realised and Unrealised Profits

The breakdown of the realised and unrealised profits or losses as at the end of the financial reporting period is as follows:

	THE GROUP	
	As at 30-09-2014 RM'000	As at 31-12-2013 RM'000
Total retained earnings (Company and its subsidiaries)		
- realised	157,227	150,446
- unrealised	(5,667)	(5,125)
	151,560	145,321
Less: Consolidation adjustments	(79,399)	(79,055)
Total group retained earnings as per unaudited condensed consolidated statement of financial position	72,161	66,266

B11. Derivative Financial Instruments

As at 30 September 2014, the Group has entered into the short-term foreign currency forward contract, to hedge its purchases denominated in foreign currency so as to limit the exposure to fluctuations in foreign exchange rates.

The details of the foreign currency forward contracts are as follows:

Type of Derivatives	THE GROUP	
	As at 30-09-2014 RM'000	As at 31-12-2013 RM'000
Forward Contracts (US Dollar)		
Fair Value	9,324	10,645
Less: Contract/Notional Value	9,513	10,479
(Gain)/Loss on Fair Value Changes	(189)	166



**NOTES TO THE FINANCIAL INFORMATION
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014 (UNAUDITED)**

B11. Derivative Financial Instruments (Cont'd)

All contracts entered by the Group are executed with creditworthy financial institutions in Malaysia. As a result, the credit risk or the risk of counterparties defaulting is minimal. The Group also has a low liquidity risk as it maintains sufficient fund to settle the entire derivative financial instruments when they fall due.

However, the Group is subject to market risk in term of foreign currency, on sales and purchases that are denominated in foreign currency other than Ringgit Malaysia. The Group maintains a natural hedge, whenever is possible, by matching the receivables and the payables in the same currency, any unmatched balances will be hedged by the forward foreign currency contracts.

B12. Loan and Borrowings

The Group's bank loan and borrowings as at the end of the financial reporting period are as follows:

	THE COMPANY		THE GROUP	
	As at 30-09-2014 RM'000	As at 31-12-2013 RM'000	As at 30-09-2014 RM'000	As at 31-12-2013 RM'000
Current portion (secured):				
Term loans	1,433	1,428	1,929	1,893
Short-term banking facilities	-	-	25,615	10,454
Revolving credit	5,000	5,000	5,000	5,000
Hire purchase payables (see Note B13 below)	-	-	3,010	2,903
	6,433	6,428	35,554	20,250
Non-current portion (secured):				
Term loans	4,543	5,623	8,743	10,209
Hire purchase payables (see Note B13 below)	-	-	2,915	5,354
	4,543	5,623	11,658	15,563
Total loan and borrowings	10,976	12,051	47,212	35,813

Except for the above, the Group's other banking facilities (all pertaining to certain subsidiary companies) are secured by way of corporate guarantee issued by the Company.

B13. Hire Purchase Payables

The Group's hire purchase payables as at the end of the financial reporting period are as follows:

	THE GROUP	
	As at 30-09-2014 RM'000	As at 31-12-2013 RM'000
Minimum hire purchase payments	5,958	8,317
Less: Future finance charges	(33)	(60)
Present value of hire purchase payables	5,925	8,257
Less: Current portion (see Note B12 above)	(3,010)	(2,903)
Non-current portion (see Note B12 above)	2,915	5,354



**NOTES TO THE FINANCIAL INFORMATION
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014 (UNAUDITED)**

B14. Warrants Reserve

The movements in the warrants reserve of the Company are as follows:

	THE GROUP	
	As at 30-09-2014 RM'000	As at 31-12-2013 RM'000
Balance at 1 January 2014/2013	28,487	28,487
Arising from rights issue with warrants	-	-
Applied for warrants issue expenses	-	-
Balance at 30 September 2014/2013	28,487	28,487

As at the end of the reporting period under review, no warrants have been exercised.

B15. Notes to the Condensed Consolidated Statement of Cash Flows

The details of major components in the Statement of Cash Flows comprises as follows:

	THE GROUP	
	Current Year-To-Date 30-09-2014 RM'000	Preceding Year-To-Date 30-09-2013 RM'000
a) Cash Flows from Operating Activities		
Decrease in inventories	(23,438)	(7,419)
Decrease in trade and other receivables	(3,356)	(4,332)
Decrease in trade and other payables	6,158	715
Income tax paid	(5,993)	(4,370)
Income tax refund	1,060	1,009
b) Cash Flows used in Investing Activities		
Payment of contingent consideration	-	(5,000)
Proceeds from disposal of property, plant and equipment	-	417
Purchase of property, plant and equipment	(7,097)	(6,829)
c) Cash Flows used in Financing Activities		
Dividend paid	(1,866)	(3,919)
Net drawdown/(repayment) of short-term borrowings	15,289	(3,167)
Repayment of term loan	(1,430)	(1,674)
Repayment of hire purchase payables	(2,333)	(455)

B16. Proposed Dividend

During the financial reporting period under review, the Directors do not recommend any interim dividend for the financial period ended 30 September 2014.

**NOTES TO THE FINANCIAL INFORMATION
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014 (UNAUDITED)**

B17. Material Litigations

There were no pending material litigations since the date of last audited annual statement of financial position.

B18. Authorisation for Issue

The second quarter unaudited financial statements were authorised for issued by the Board of Directors in accordance to the Board of Directors meeting held on 25 November 2014.

[End of Report]